

Message Text

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PAGE 01 STATE 176231
ORIGIN EA-09

INFO OCT-01 ISO-00 EB-08 AGRE-00 L-03 /021 R

DRAFTED BY EA/PHL:JSARTORIUS:CMD

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FM SECSTATE WASHDC

TO AMEMBASSY MANILA

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E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: PROSPECTS FOR INTERNATIONAL SUGAR AGREEMENT

1. FOLLOWING JULY 26 CABLE FROM AMEMBASSY LONDON TO SEC-
STATE WASHINGTON IS REPEATED TO YOU ON FYI ONLY BASIS:

(A) QUOTE IT IS THE GENERAL ASSESSMENT OF DELEGATES HERE
THAT PROSPECTS FOR NEW ISA HAVE BRIGHTENED AS A RESULT OF
CONSULTATIONS OVER PAST WEEK. COLLAPSE OF PRICES FOLLOWING
END OF CONFERENCE IN MAY SEEMS TO HAVE RESULTED IN STRONG
DESIRE FOR AGREEMENT BY MOST DELEGATIONS. OUR PROPOSAL FOR
FINANCING OF RESERVE STOCKS HAS ELICITED WIDE SUPPORT AND
MAY HAVE BROKEN IMPASSE OVER ISSUE OF STOCKS. WHILE NO
ATTEMPT YET MADE TO AGREE ON SIZE OF RESERVE, THERE IS MUCH
GREATER FLEXIBILITY BEING SHOWN AND GAP IN CONCEPTS SEEMS
TO HAVE BEEN CONSIDERABLY NARROWED. GOOD WORK HAS BEEN DONE
ON DEFINING AND ESTIMATING COSTS THAT WOULD BE COVERED BY
FINANCING SCHEMES AS WELL AS TO ELABORATE HOW STABILIZATION
FUND WOULD OPERATE. SIMILARLY, PROGRESS HAS BEEN MADE ON
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ROLE OF EXPORT QUOTAS.

(B) ATTITUDES OF DELEGATIONS ARE ON THE WHOLE ENCOURAGING.
WELCOME SURPRISE HAS BEEN FLEXIBILITY OF CUBA (WHICH HAS
EXPLICITLY ANNOUNCED CHANGES IN POSITIONS ON STOCKS AND
QUOTAS) AND CONSTRUCTIVE CONTRIBUTIONS BY DOMINICAN REPUBLIC,
CANADA AND MAURITIUS. ON OTHER SIDE HAS BEEN PUZZLING

ROLE PLAYED BY BRAZIL. WHETHER THIS IS DUE TO INEXPERIENCE, ITS PRINCIPAL REPRESENTATIVE OR TACTICS DESIGNED TO PUT OTHER EXPORTERS IN DEMANDEUR POSITION, IMPRESSION LEFT BY BRAZIL IS ONE OF LESSENERED INTEREST IN AGREEMENT. EC DELEGATION HAS ADHERED TO WELL-KNOWN POSITION BUT THEIR INTERVENTIONS HAVE NOT BEEN UNHELPLEFUL. THEY INDICATE THAT EFFORT WILL BE MADE TO CHANGE MANDATE BUT THIS CANNOT OCCUR PRIOR TO SEPTEMBER COUNCIL MEETING. JAPANESE DELEGATES HAMPERED BY RIGID AND IRRELEVANT INSTRUCTIONS BUT THEY HAVE SKILLFULLY MANEUVERED TO AVOID INTERFERENCE WITH ATTEMPT TO RESOLVE ISSUES. ON THE WHOLE THEN THERE IS GOOD ATMOSPHERE WHICH IS BUILDING CONFIDENCE THAT AGREEMENT CAN BE REACHED.

(C) REMAINDER OF WEEK IS EXPECTED TO BE DEVOTED TO ELABORATING STOCK MECHANISM, STABILIZATION FUND, QUOTA AND PRICE MECHANISM AND HANDLING OF SPECIAL (PREFERENTIAL) ARRANGEMENTS. UNLESS SOME UNANTICIPATED SNAGS DEVELOP, WE ANTICIPATE THAT BY WEEK'S END CHAIRMAN JONES-PARRY WILL ANNOUNCE THAT CONSULTATIONS HAVE RESULTED IN CONSENSUS ON CONCEPTS SUFFICIENT TO WARRANT RECONVENING NEGOTIATING CONFERENCE ON SEPTEMBER 12. HE WILL THEN HAVE SMALL DRAFTING GROUP NEXT WEEK PREPARE DRAFT ARTICLES FOR CIRCULATION PRIOR TO SEPTEMBER 12.

(D) IN SUMMARY, WHILE NUMEROUS DETAILS REMAIN TO BE LIMITED OFFICIAL USE

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AGREED, THERE IS NOW GOOD PROSPECT THAT AGREEMENT ON NEW ISA CAN BE REACHED AT RESUMED NEGOTIATING CONFERENCE IN SEPTEMBER. UNQUOTE. VANCE

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Sent Date: 27-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
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